

# **EXHIBIT A**



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June 22, 2021

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**VIA E-MAIL**

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**Re: Commonwealth Cash Rule 2004 Requests**

Counsel:

I write: (i) in response to your May 18, 2021 letter (the “May 18 Letter”) and your June 17, 2021 letter (the “June 17 Letter”), and (ii) to address the parties’ May 10, 2021 and May 24, 2021 teleconferences.

***New Cash Rule 2004 Order.***<sup>1</sup> In Ambac’s Surreply Opposition,<sup>2</sup> Ambac alleged it had identified “at least 10 critical accounts of interest” for which the Oversight Board had not produced documents. Surreply Opp. at 8. Ambac did not identify in its Surreply Opposition the specific accounts it deemed “critical.” Further, as Ambac itself acknowledged,<sup>3</sup> it never raised or identified these “critical accounts” in any of the parties’ numerous prior meet and confers or correspondence.

In the New Cash Rule 2004 Order, the Court ordered the Oversight Board to “identify which documents . . . relate to the assessment of the status of those [10 critical] accounts.” New Cash Rule 2004 Order at 13. Subsequently, in its May 18 Letter, Ambac identified the “10 critical accounts” for the first time. All ten of the accounts are held by three public corporations, the Puerto Rico Infrastructure Financing Authority, the Puerto Rico Convention Center District

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<sup>1</sup> “New Cash Rule 2004 Order” refers to the *Memorandum of Decision and Order on Ambac Assurance Corporation’s Motion for an Order Directing Cash Rule 2004 Discovery from the Financial Oversight and Management Board for Puerto Rico* [ECF No. 16760].

<sup>2</sup> “Surreply Opposition” refers to *Opposition of Ambac Assurance Corporation to the Urgent Motion of the Financial Oversight and Management Board for Puerto Rico for Leave to File Sur-reply Regarding Ambac Assurance Corporation’s Motion for an Order Directing Cash Rule 2004 Discovery* [ECF No. 15669].

<sup>3</sup> See Email from Kevin Maggio *et al.*, Ambac’s Counsel, to Laura Stafford *et al.*, the Oversight Board’s Counsel (May 24, 2021) (“I don’t believe the 10 critical accounts were previously identified in correspondence between the Parties.”).



June 22, 2021

Page 2

Authority, and the Puerto Rico Tourism Company. Accordingly, it should not have been surprising that the Oversight Board had not previously produced documents relating to these accounts, because the Oversight Board explicitly informed Ambac on April 7, 2020 that it would produce “factual source materials and raw data for the unrestricted and restricted accounts held by *the Title III debtors* that fell within the scope of the Oversight Board’s cash analysis.” See Apr. 7, 2020 Ltr. M. Dale to A. Miller at 1 (emphasis added).

Nevertheless, in compliance with the New Cash Rule 2004 Order, the Oversight Board identifies the following documents which “relate to the assessment of the status of th[e]se accounts.”

1. *BONY-6334*

Ambac\_Cash\_2004\_002 0027752; Ambac\_Cash\_2004\_002 0027753;  
Ambac\_Cash\_2004\_002 0027860; Ambac\_Cash\_2004\_002 0027898;  
Ambac\_Cash\_2004\_002 0027900; Ambac\_Cash\_2004\_002 0048422

2. *BPPR-2882*

Ambac\_Cash\_2004\_002 0003352; Ambac\_Cash\_2004\_002 0024095;  
Ambac\_Cash\_2004\_002 0025550; Ambac\_Cash\_2004\_002 0026461;  
Ambac\_Cash\_2004\_002 0026462; Ambac\_Cash\_2004\_002 0026463;  
Ambac\_Cash\_2004\_002 0026464; Ambac\_Cash\_2004\_002 0026466;  
Ambac\_Cash\_2004\_002 0026622; Ambac\_Cash\_2004\_002 0026626;  
Ambac\_Cash\_2004\_002 0026627; Ambac\_Cash\_2004\_002 0026628;  
Ambac\_Cash\_2004\_002 0026629; Ambac\_Cash\_2004\_002 0026715;  
Ambac\_Cash\_2004\_002 0045322; Ambac\_Cash\_2004\_002 0047075

3. *BPPR-2306*

Ambac\_Cash\_2004\_002 0027755; Ambac\_Cash\_2004\_002 0042298;  
Ambac\_Cash\_2004\_002 0042299; Ambac\_Cash\_2004\_002 0042300;  
Ambac\_Cash\_2004\_002 0042301; Ambac\_Cash\_2004\_002 0042302;  
Ambac\_Cash\_2004\_002 0042303; Ambac\_Cash\_2004\_002 0042304;  
Ambac\_Cash\_2004\_002 0042305; Ambac\_Cash\_2004\_002 0042320;  
Ambac\_Cash\_2004\_002 0042324; Ambac\_Cash\_2004\_002 0045488;  
Ambac\_Cash\_2004\_002 0003352; Ambac\_Cash\_2004\_002 0004318

4. *BPPR-6545*

Ambac\_Cash\_2004\_002 0003352; Ambac\_Cash\_2004\_002 0004318;  
Ambac\_Cash\_2004\_002 0027755; Ambac\_Cash\_2004\_002 0042298;  
Ambac\_Cash\_2004\_002 0042299; Ambac\_Cash\_2004\_002 0042300;  
Ambac\_Cash\_2004\_002 0042301; Ambac\_Cash\_2004\_002 0042302;  
Ambac\_Cash\_2004\_002 0042303; Ambac\_Cash\_2004\_002 0042304;  
Ambac\_Cash\_2004\_002 0042305; Ambac\_Cash\_2004\_002 0045488



June 22, 2021

Page 3

5. *FirstBank -3961*

Ambac\_Cash\_2004\_002 0004318; Ambac\_Cash\_2004\_002 0042298;  
Ambac\_Cash\_2004\_002 0042299; Ambac\_Cash\_2004\_002 0042300;  
Ambac\_Cash\_2004\_002 0042301; Ambac\_Cash\_2004\_002 0042302;  
Ambac\_Cash\_2004\_002 0042303; Ambac\_Cash\_2004\_002 0042304;  
Ambac\_Cash\_2004\_002 0042305; Ambac\_Cash\_2004\_002 0042320;  
Ambac\_Cash\_2004\_002 0042324; Ambac\_Cash\_2004\_002 0042336;  
Ambac\_Cash\_2004\_002 0042336; Ambac\_Cash\_2004\_002 0042337;  
Ambac\_Cash\_2004\_002 0042394; Ambac\_Cash\_2004\_002 0050547

6. *FirstBank -2984*

Ambac\_Cash\_2004\_002 0004318; Ambac\_Cash\_2004\_002 0042298;  
Ambac\_Cash\_2004\_002 0042299; Ambac\_Cash\_2004\_002 0042300;  
Ambac\_Cash\_2004\_002 0042301; Ambac\_Cash\_2004\_002 0042302;  
Ambac\_Cash\_2004\_002 0042303; Ambac\_Cash\_2004\_002 0042304;  
Ambac\_Cash\_2004\_002 0042305; Ambac\_Cash\_2004\_002 0042320;  
Ambac\_Cash\_2004\_002 0042324; Ambac\_Cash\_2004\_002 0042327;  
Ambac\_Cash\_2004\_002 0050333

7. *Scotiabank -5138*

Ambac\_Cash\_2004\_002 0004318; Ambac\_Cash\_2004\_002 0042298;  
Ambac\_Cash\_2004\_002 0042299; Ambac\_Cash\_2004\_002 0042300;  
Ambac\_Cash\_2004\_002 0042301; Ambac\_Cash\_2004\_002 0042302;  
Ambac\_Cash\_2004\_002 0042303; Ambac\_Cash\_2004\_002 0042304;  
Ambac\_Cash\_2004\_002 0042305; Ambac\_Cash\_2004\_002 0042320;  
Ambac\_Cash\_2004\_002 0042324; Ambac\_Cash\_2004\_002 0042396;  
Ambac\_Cash\_2004\_002 0042400; Ambac\_Cash\_2004\_002 0042401;  
Ambac\_Cash\_2004\_002 0051513

8. *Scotiabank -5142*

Ambac\_Cash\_2004\_002 0004318; Ambac\_Cash\_2004\_002 0042298;  
Ambac\_Cash\_2004\_002 0042299; Ambac\_Cash\_2004\_002 0042300;  
Ambac\_Cash\_2004\_002 0042301; Ambac\_Cash\_2004\_002 0042302;  
Ambac\_Cash\_2004\_002 0042303; Ambac\_Cash\_2004\_002 0042304;  
Ambac\_Cash\_2004\_002 0042305; Ambac\_Cash\_2004\_002 0042320;  
Ambac\_Cash\_2004\_002 0042324; Ambac\_Cash\_2004\_002 0042396;  
Ambac\_Cash\_2004\_002 0042400; Ambac\_Cash\_2004\_002 0042420;  
Ambac\_Cash\_2004\_002 0051545



June 22, 2021

Page 4

9. *Scotiabank -5144*

Ambac\_Cash\_2004\_002 0004318; Ambac\_Cash\_2004\_002 0042298;  
Ambac\_Cash\_2004\_002 0042299; Ambac\_Cash\_2004\_002 0042300;  
Ambac\_Cash\_2004\_002 0042301; Ambac\_Cash\_2004\_002 0042302;  
Ambac\_Cash\_2004\_002 0042303; Ambac\_Cash\_2004\_002 0042304;  
Ambac\_Cash\_2004\_002 0042305; Ambac\_Cash\_2004\_002 0042396;  
Ambac\_Cash\_2004\_002 0042400; Ambac\_Cash\_2004\_002 0042425;  
Ambac\_Cash\_2004\_002 0051550

10. *US Bank -0002*

Ambac\_Cash\_2004\_002 0003354; Ambac\_Cash\_2004\_002 0003370;  
Ambac\_Cash\_2004\_002 0003386; Ambac\_Cash\_2004\_002 0003402;  
Ambac\_Cash\_2004\_002 0003573; Ambac\_Cash\_2004\_002 0003589;  
Ambac\_Cash\_2004\_002 0003605; Ambac\_Cash\_2004\_002 0003621;  
Ambac\_Cash\_2004\_002 0018172; Ambac\_Cash\_2004\_002 0026081;  
Ambac\_Cash\_2004\_002 0026622; Ambac\_Cash\_2004\_002 0026626;  
Ambac\_Cash\_2004\_002 0026627; Ambac\_Cash\_2004\_002 0026628;  
Ambac\_Cash\_2004\_002 0026629; Ambac\_Cash\_2004\_002 0026715;  
Ambac\_Cash\_2004\_002 0051610

In the May 18 Letter, Ambac also requested the Oversight Board “identify the factual source materials and raw data underlying the Duff & Phelps Report related to” these ten accounts. May 18 Letter at 2. As the Oversight Board has repeatedly explained, the Duff & Phelps Report is outdated by several years and has long since been superseded by subsequent iterations of the Oversight Board’s cash restriction analysis. Accordingly, documents underlying the Duff & Phelps Report do not “relate to the assessment of the status” of the ten “critical” accounts identified by Ambac.

***March 2021 Disclosure Statement.*** As explained on the May 24, 2021 meet-and-confer, the Oversight Board has made the determination to withhold two documents from its April 26, 2021 production on privilege grounds. The Oversight Board provided an amended privilege log on May 28, 2021.

***May 2021 Disclosure Statement.***<sup>4</sup> The Oversight Board explained on both the May 10, 2021 and May 24, 2021 teleconferences that it will produce relevant, non-privileged factual source materials and raw data underlying the cash restriction analysis in the May 2021 Disclosure Statement, to the extent that such materials had not already been provided. Those factual source materials and raw data have already been uploaded to the Disclosure Statement Depository and the SFTP.

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<sup>4</sup> “May 2021 Disclosure Statement” means the *Disclosure Statement for the Third Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al.* [ECF No. 16741].

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June 22, 2021

Page 5

In the June 17 Letter, Ambac also requested “an update regarding any efforts . . . to update the portion of the May 2021 Disclosure Statement concerning the Board’s cash restriction analysis.” June 17 Letter at 2. The Oversight Board anticipates providing an updated cash restriction analysis later this month. Factual source materials and raw data underlying that analysis, as well as Calculation Back-Up materials, will be made available to all parties in interest through the Disclosure Statement Depository and the SFTP.

***Act 26-2017 Surplus Transfers.*** As AAFAF explained in its June 17, 2017 letter, after a reasonably diligent search, AAFAF has identified one transfer pursuant to Act 26-2017: a \$15 million transfer of hotel tax revenues from the Tourism Company to the Commonwealth on March 8, 2018. Further, documents relating to that transfer have already been produced.<sup>5</sup> In compliance with the Court’s *Memorandum of Decision and Order on Urgent Motion of Ambac Assurance Corporation and Financial Guaranty Insurance Company to Compel Discovery from the Government Parties in Connection with the Disclosure Statement* [ECF No. 17058], the Oversight Board will make those documents available via the Disclosure Statement Depository and SFTP.

Sincerely,

/s/ Margaret A. Dale

Margaret A. Dale

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<sup>5</sup> CW\_STAY0008494; CCDA\_STAY0001185, CCDA\_STAY0013958.